

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

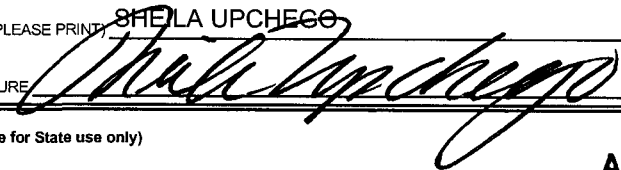
FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47060		6. SURFACE: State	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:			
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.				9. WELL NAME and NUMBER: STATE 1021-36K			
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2651'FSL, 2568'FWL AT PROPOSED PRODUCING ZONE: 628305X 39.903914 4417961Y -109.499057				10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 37.35 MILES SOUTH OF OURAY, UTAH				12. COUNTY: UINTAH		13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2568'		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00			
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 8,680		20. BOND DESCRIPTION: RLB0005237			
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5443'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:			

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	H-40	32.3#	1,800	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2	I-80	11.6#	8,680	1830 SX 50/50 POZ	1.31 YIELD	14.3 PPG

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

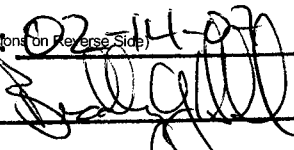
NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE <u></u>	DATE <u>11/7/2006</u>

(This space for State use only)

API NUMBER ASSIGNED: **43047-38849**

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
NOV 13 2006

Date: **02-14-07**
(See instructions on Reverse Side)
By: 

T10S, R21E, S.L.B.&M.

Kerr McGee Oil & Gas Onshore LP

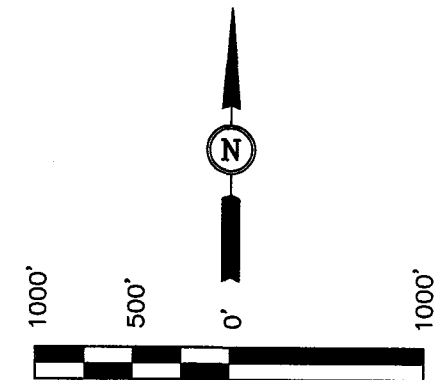
Well location, STATE 1021-36K located as shown in the NE/4 SW 1/4 of Section 36, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
ROBERT L. KAY
STATE OF UTAH
RENEWAL NO. 161019

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-05-06	DATE DRAWN: 10-09-06
PARTY B.H. F.Y. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

T10S
T11S

R
21
E
R
22
E

S89°43'43"W 1329.29' (Meas.) S89°44'06"W 1328.69' (Meas.) S89°44'27"W - 2655.41' (Meas.)

1977 Brass Cap,
Flush W/Pile of
Stones

1977 Brass Cap,
0.2' High, Pile
of Stones

1977 Brass Cap,
Flush W/Pile of
Stones

Brass Cap

N00°11'41"E - 2684.62' (Meas.)

1977 Brass Cap,
0.8' High, Pile
of Stones

2568'

36

STATE #1021-36K
Elev. Ungraded Ground = 5443'

1977 Brass Cap,
0.3' High, Pile
of Stones

N00°08'30"W - 2201.29' (Meas.)

W 1/4 Cor. Sec. 31,
1977 Brass Cap, 0.6'
High, Pile of Stones

N00°30'57"W - 2136.18' (Meas.)

SW Cor. Sec. 31,
1977 Brass Cap,
Flush W/Pile of
Stones

1977 Brass Cap,
0.3' High, Pile
of Stones

N00°05'43"E - 2684.97' (Meas.)

1977 Brass Cap,
0.4' High, Pile
of Stones

1977 Brass Cap,
0.7' High, Pile
of Stones

1977 Brass Cap,
0.3' High, Pile
of Stones

1977 Brass Cap,
0.5' High

S89°57'43"E 1309.20' (Meas.) S89°58'15"E 1316.90' (Meas.) N89°58'54"W - 1360.59' (Meas.) S88°47'38"W - 1346.08' (Meas.)

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N00°13'23"W	484.64'
L2	N02°12'25"E	546.05'

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°54'14.01" (39.903892)

LONGITUDE = 109°29'59.48" (109.499856)

(NAD 27)

LATITUDE = 39°54'14.13" (39.903925)

LONGITUDE = 109°29'57.02" (109.499172)

STATE 1021-36K
NWSW SEC 36, T10S, R21E
UINTAH COUNTY, UTAH
ML-47060

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	937'
Top of Birds Nest Water	1223'
Mahogany	1732'
Wasatch	4037'
Mesaverde	6624'
MVU2	7581'
MVL1	8216'
TD	8680'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	937'
	Top of Birds Nest Water	1223'
	Mahogany	1732'
Gas	Wasatch	4037'
Gas	Mesaverde	6624'
Gas	MVU2	7581'
Gas	MVL1	8216'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8680' TD, approximately equals 5382 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3472 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE November 8, 2006
WELL NAME STATE 1021-36K TD 8,680' MD/TVD
FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,443' GL KB 5,458'
SURFACE LOCATION NESW SEC. 36, T10S, R21E 2651'FSL, 2568'FWL BHL Straight Hole
Latitude: 39.903892 Longitude: 109.499856
OBJECTIVE ZONE(S) Wasatch/Mesaverde
ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,037'					
	Green River @	0,937'			
	Top of Birds Nest Water @	1223'			
	Mahogany @	1,732'			
	Preset f/ GL @				
	1,800' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD					
Open hole logging program f/ TD - surf csg					
	Wasatch @	4,037'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.3 ppg
	Mverde @	6,624'			
	MVU2 @	7,581'			
	MVL1 @	8,216'			
					Max anticipated Mud required 11.3 ppg
		TD @ 8,680'			



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1800	32.30	H-40	STC	0.71*****	1.63	4.99
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8680	11.60	I-80	LTC	2.44	1.25	2.29

1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac gradient x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 11.3 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 3191 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized				
			Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,530'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,150'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1440	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE:

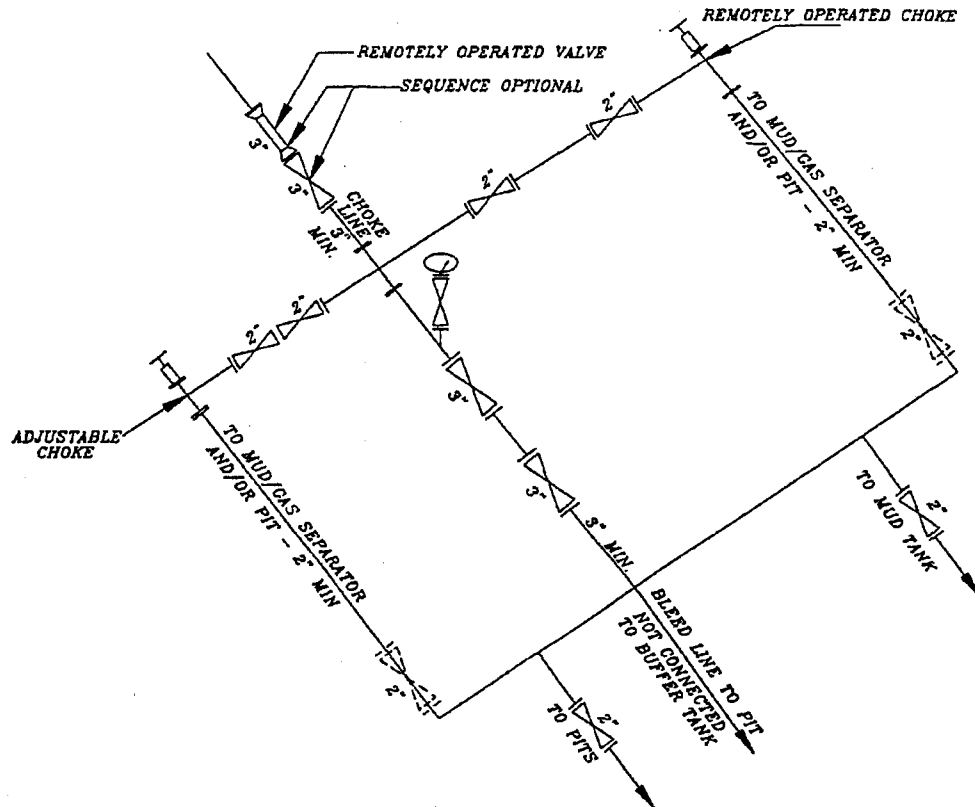
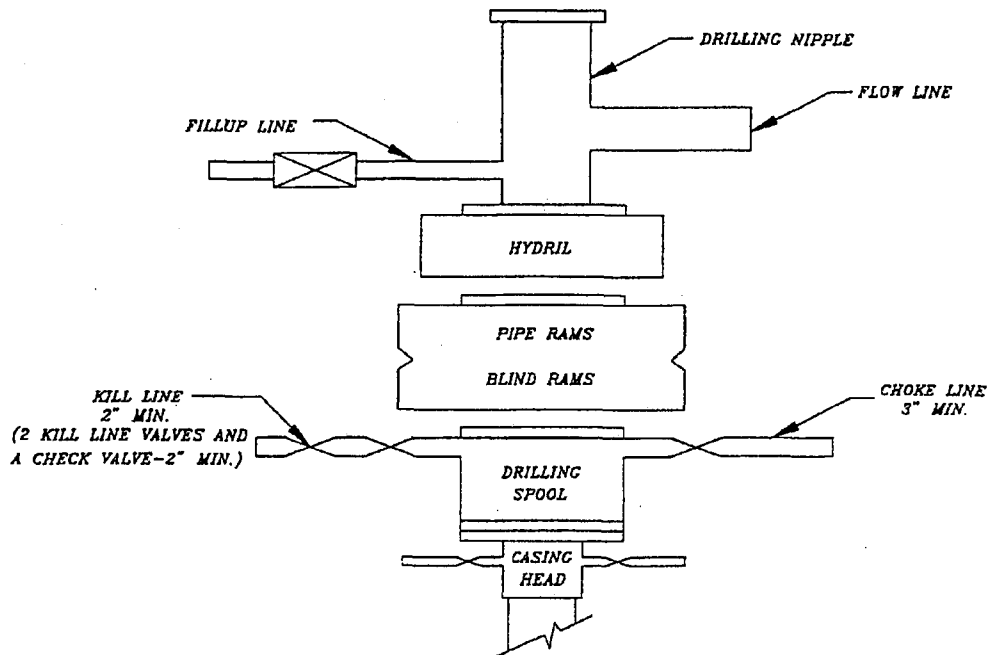
DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

STATE1021-36K DHD.xls

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**E STATE 1021-36K
NWSW SEC 36, T10S, R21E
Uintah County, UT
ML-47060**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.15 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 678' +/- of 4" pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

11/8/2006
Date

Kerr-McGee Oil & Gas Onshore LP
STATE #1021-36K
SECTION 36, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.95 MILES.

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36K

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T10S, R21E, S.L.B.&M.

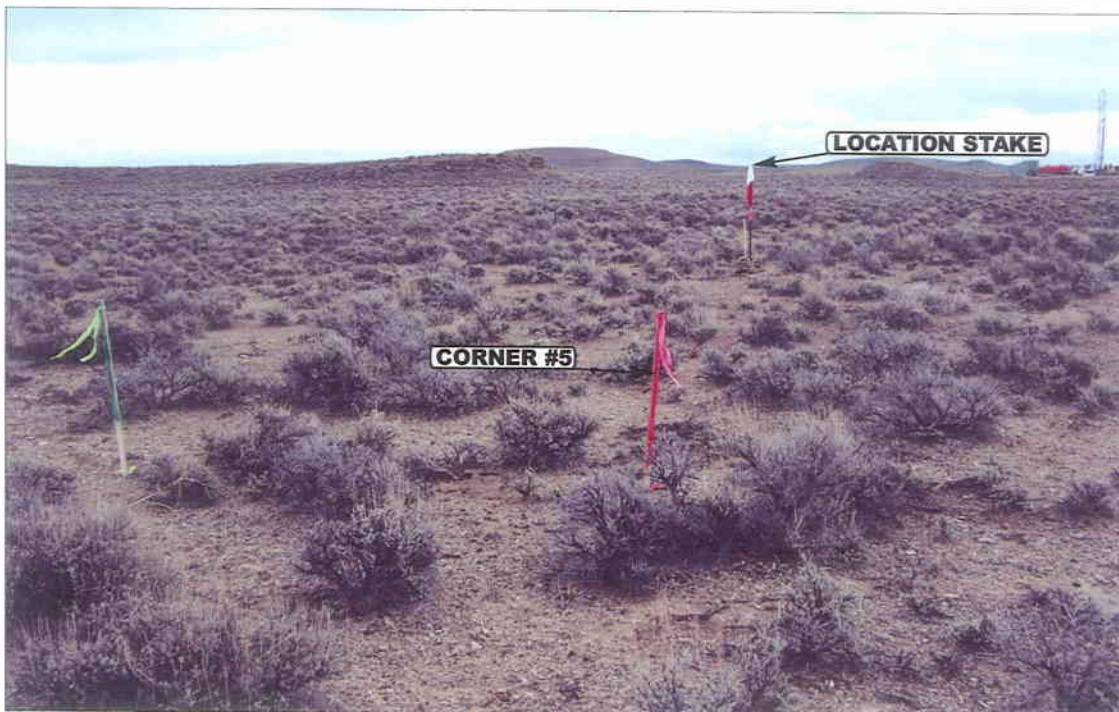


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

10 06 06

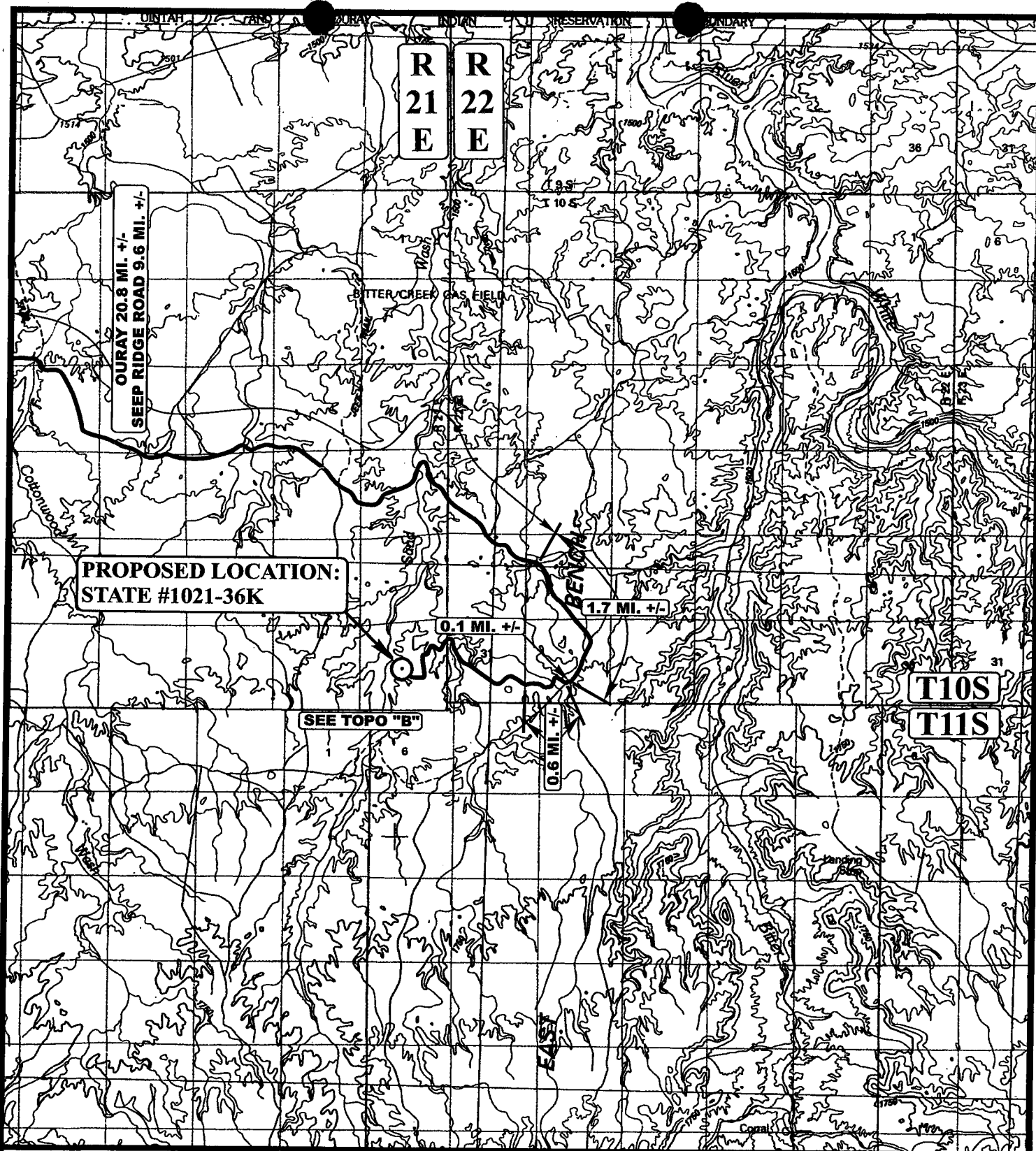
MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

DRAWN BY: C.P.

REVISED: 00-00-00



PROPOSED LOCATION:
STATE #1021-36K

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION

N

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36K

SECTION 36, T10S, R21E, S.L.B.&M.

2651' FSL 2568' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

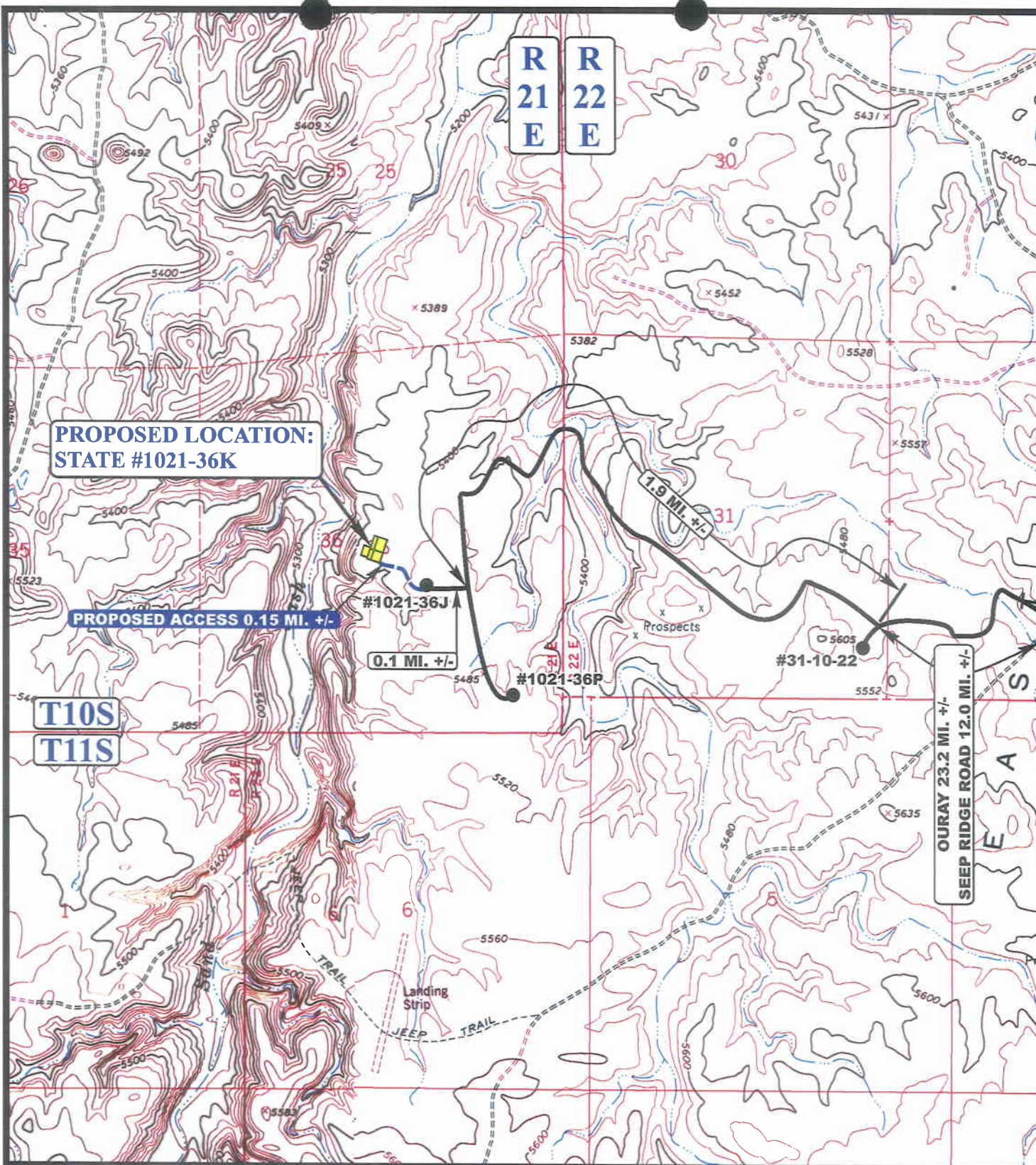
10 06 06
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00

A
TOPO



LEGEND:

— EXISTING ROAD
- - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

**STATE #1021-36K
SECTION 36, T10S, R21E, S.L.B.&M.
2651' FSL 2568' FWL**



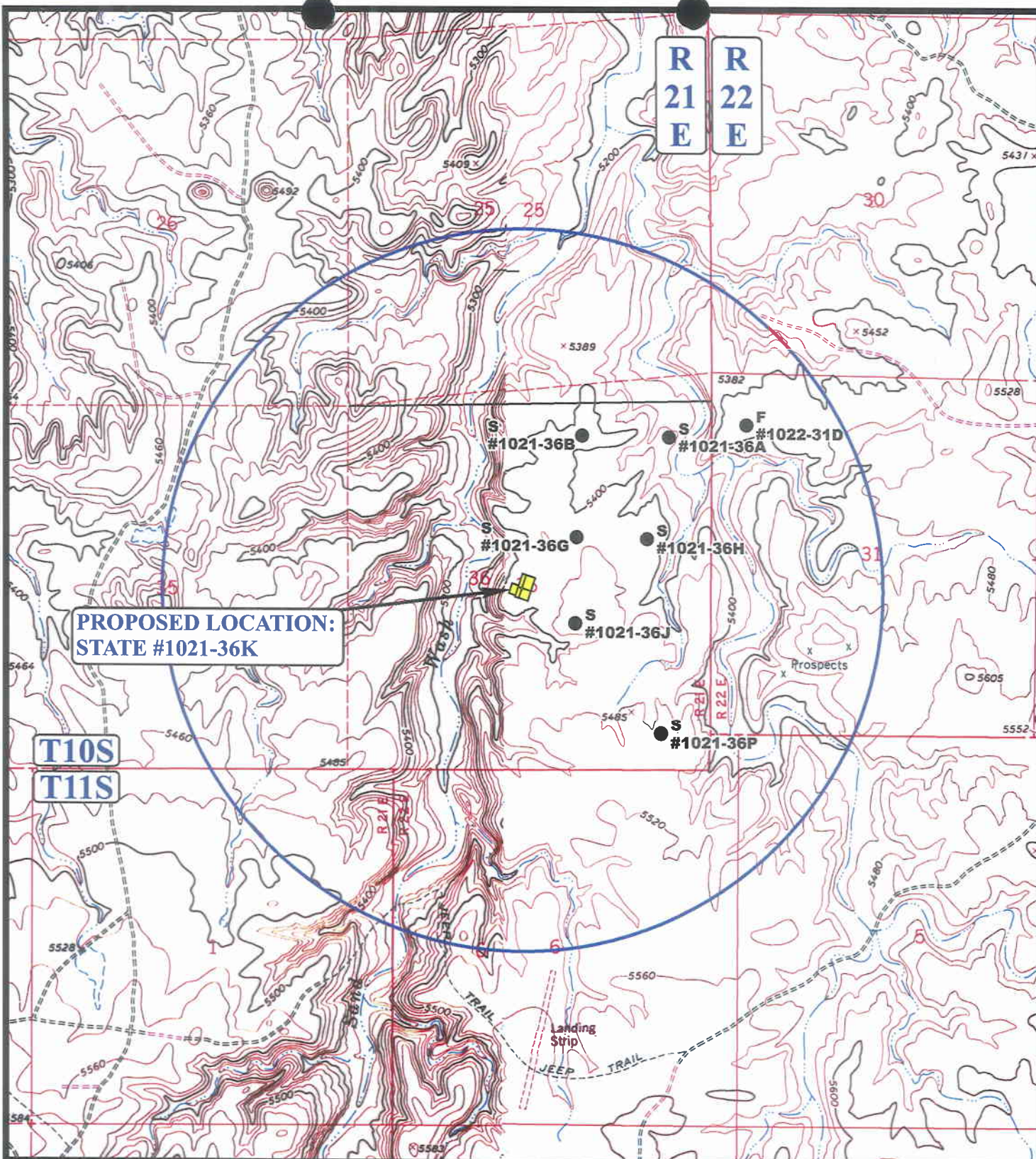
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 06 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

**B
TOPO**



**PROPOSED LOCATION:
STATE #1021-36K**

**T10S
T11S**

**R
21
E**

**R
22
E**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



Kerr-McGee Oil & Gas Onshore LP

**STATE #1021-36K
SECTION 36, T10S, R21E, S.L.B.&M.
2651' FSL 2568' FWL**



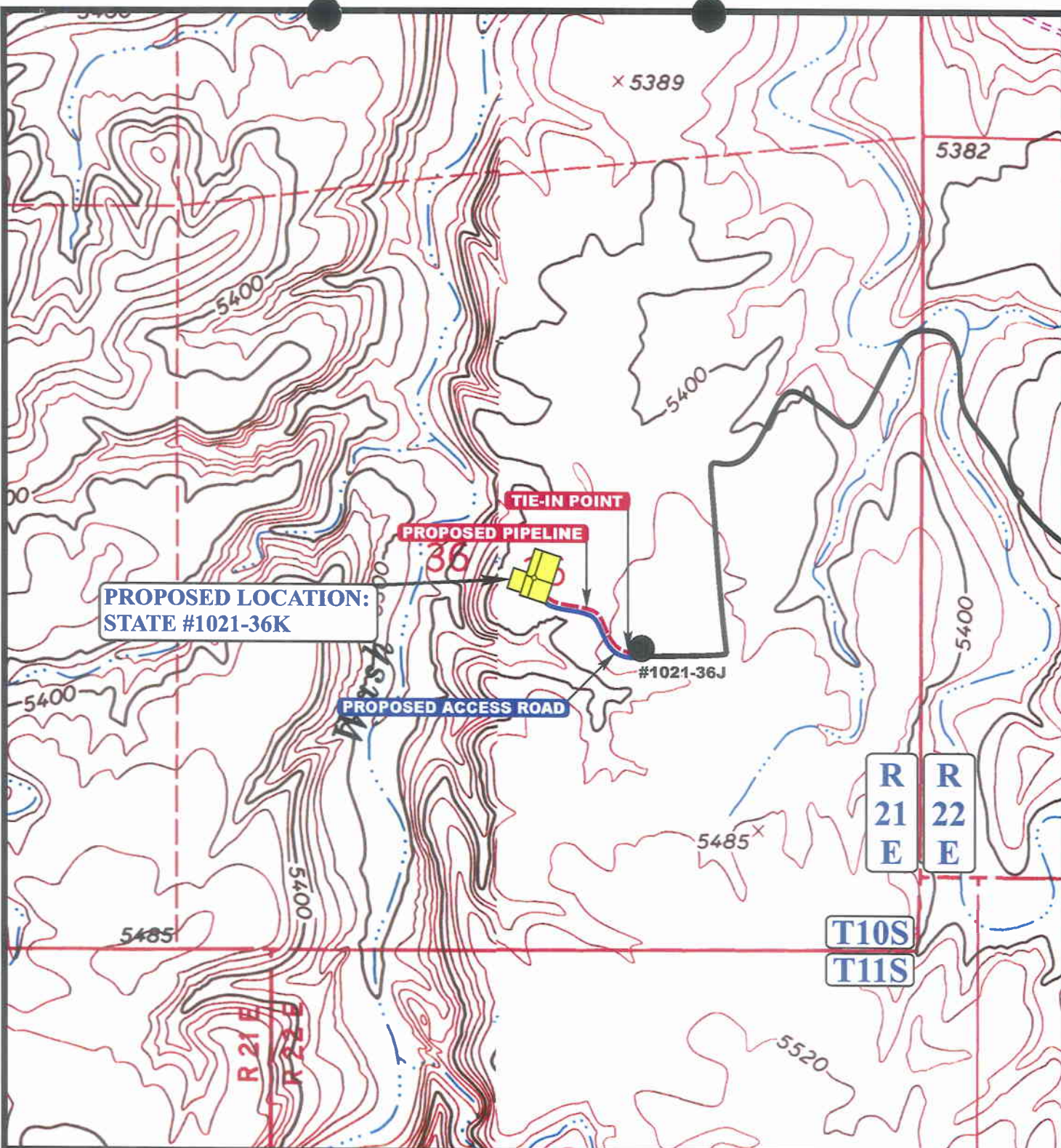
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 06 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 678' +/-

LEGEND:

— PROPOSED ACCESS ROAD
 - - - PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

**STATE #1021-36K
 SECTION 36, T10S, R21E, S.L.B.&M.
 2651' FSL 2568' FWL**



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
 MAP**

10 06 06
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

**D
 TOPO**

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36K

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

10 06 06
MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

DRAWN BY: C.P.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

STATE #1021-36K
SECTION 36, T10S, R21E, S.L.B.&M.
2651' FSL 2568' FWL

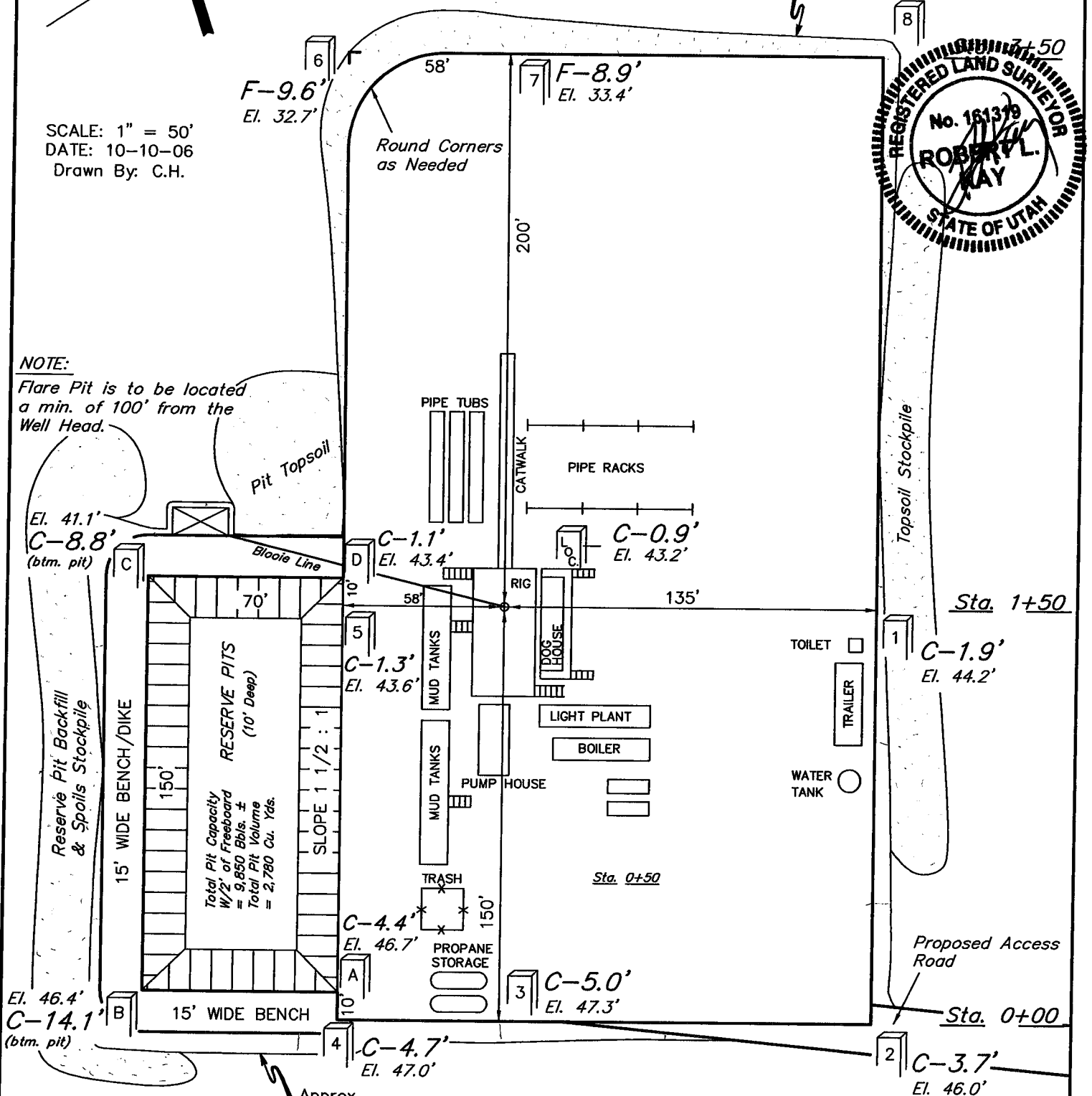
Approx.
Toe of
Fill Slope

F-4.1'
El. 38.2'

SCALE: 1" = 50'
DATE: 10-10-06
Drawn By: C.H.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5443.2'
FINISHED GRADE ELEV. AT LOC. STAKE = 5442.3'

Approx.
Top of
Cut Slope

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

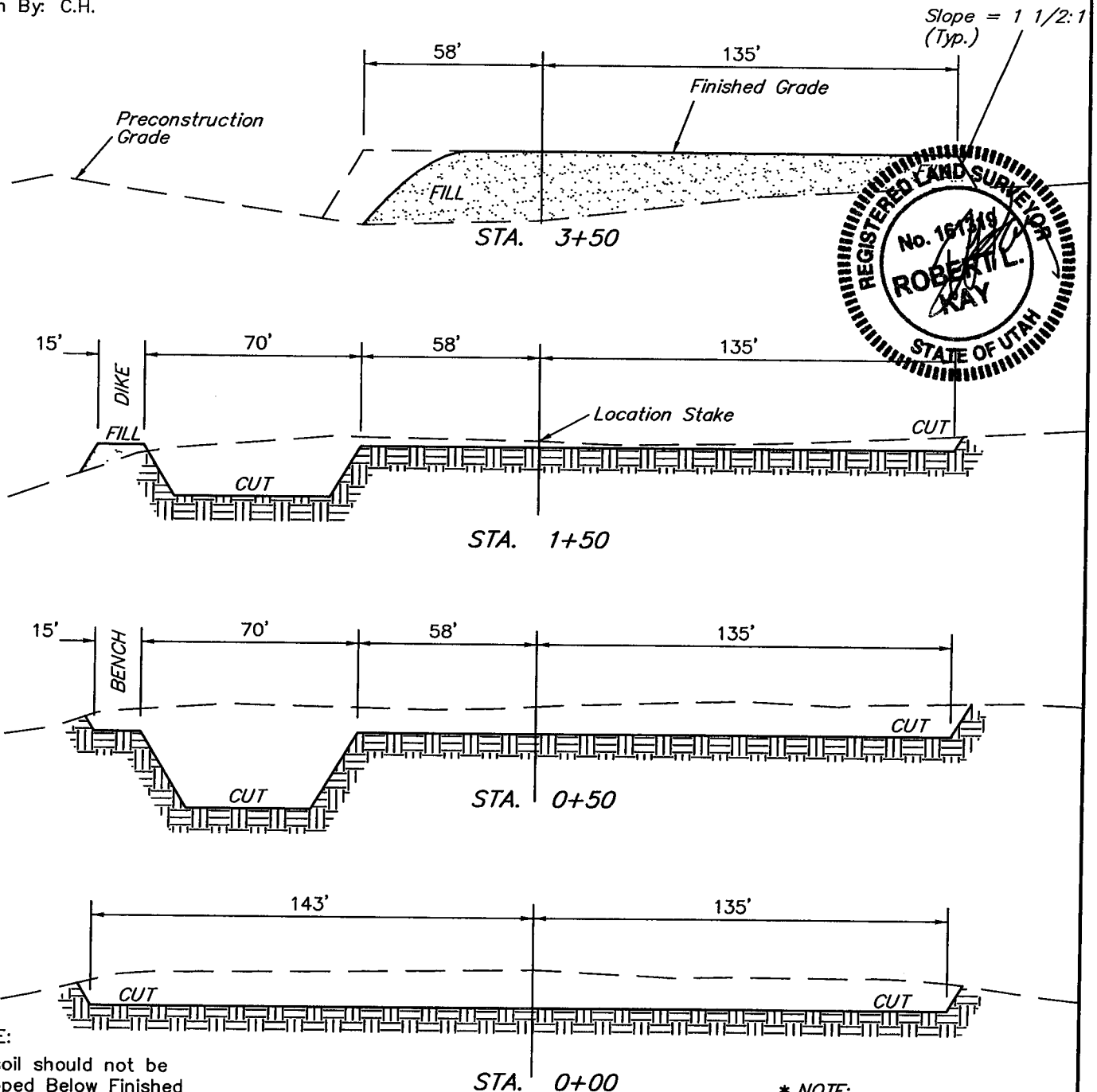
TYPICAL CROSS SECTIONS FOR

STATE #1021-36K

SECTION 36, T10S, R21E, S.L.B.&M.

2651' FSL 2568' FWL

1" = 20'
X-Section
Scale
1" = 50'
DATE: 10-10-06
Drawn By: C.H.



NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,710 Cu. Yds.
Remaining Location = 6,850 Cu. Yds.
TOTAL CUT = 8,560 CU.YDS.
FILL = 5,460 CU.YDS.

EXCESS MATERIAL = 3,100 Cu. Yds.
Topsoil & Pit Backfill = 3,100 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/13/2006

API NO. ASSIGNED: 43-047-38849

WELL NAME: STATE 1021-36K

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

NESW 36 100S 210E

SURFACE: 2651 FSL 2568 FWL

BOTTOM: 2651 FSL 2568 FWL

COUNTY: Uintah

LATITUDE: 39.90391 LONGITUDE: -109.4991

UTM SURF EASTINGS: 628305 NORTHINGS: 4417961

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DW	12/13/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47060

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: ___
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___
___ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (11-17-06)

STIPULATIONS:

1- Spacing Strip
2- Surf. Csg Cant Strip
3- O.I Shale

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

11/30/2006

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
168	43-047-38849-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP		Surface Owner-APD		
Well Name	STATE 1021-36K		Unit		
Field	UNDESIGNATED		Type of Work		
Location	NESW 36 10S 21E S 0 FL 0 FL GPS Coord (UTM) 628305E 4417961N				

Geologic Statement of Basis

Kerr McGee proposes to set 1,800' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,400'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

11/30/2006
Date / Time

Surface Statement of Basis

The surface and minerals for the proposed location are both owned by SITLA. Mr. Jim Davis represented SITLA at the pre-site and had no concerns not covered in the APD. The proposed location appears to be the best site for drilling and operating a well in the immediate area.

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 3 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This proposed location is on a the edge of a relatively flat bench immediately east of a deep draw.

Floyd Bartlett
Onsite Evaluator

11/17/2006
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name STATE 1021-36K
API Number 43-047-38849-0 **APD No** 168 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NESW **Sec** 36 **Tw** 10S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) 628296 4417962 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes and Tony Kazneik (Kerr McGee), David Kay (UELS).

Regional/Local Setting & Topography

The surface and minerals for the proposed location are both owned by SITLA. Mr. Jim Davis represented SITLA at the pre-site and had no concerns not covered in the APD. The proposed location appears to be the best site for drilling and operating a well in the immediate area.

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

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This proposed location is on a the edge of a relatively flat bench immediately east of a deep draw.

Surface Use Plan

Current Surface Use

Grazing

Wildlife Habitat

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.15	Width 308	Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

A sparse vegetative cover of big sagebrush, black sagebrush and broom snakeweed exists. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

Soil Type and Characteristics

Moderately deep gravely sandy loam. No surface rock.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		25 1 Sensitivity Level

Characteristics / Requirements

150' by 70' and 10' deep. The reserve pit is all within cut on the south west side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard. The pit probably will be reduced in size when constructed.

A pit liner is required. Kerr McGee lines all pits with a 20 mil liner and a felt sub-liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

Floyd Bartlett
Evaluator

11/17/2006
Date / Time

Casing Schematic

BHP

$$0.052(8680)11.3 = \boxed{5100 \text{ psi}}$$

anticipate 3472 @ surf.

GWS

$$.12(8680) = 1042$$

$$5100 - 1042 = \boxed{4058 \text{ psi}}$$

MASP

9-5/8"
MW 8.4
Frac 19.3

BOPE 5M ✓

Burst 2270 psi

$$70\% = \boxed{1589 \text{ psi}}$$

Max P @ surf. shoe

$$.22(8680) = 1514$$

$$5100 - 1514 = \boxed{3586 \text{ psi}}$$

test to $\boxed{1589 \text{ psi}}$ ✓

Strip → surf. cnt ✓
(co. plans to top off)

✓ Adequate ^{DN}
12/13/06

4-1/2"
MW 11.3

Surface

TOC @ 0.

Uinta
TOC to surf w/99% w/o

TOC @ 441.

Asurf strip ✓

937'

Green River

1223'

Bird's Nest Water

1732'

Mahogany
Surface
1800. MD

3400' ± BMSW

4037' Wasatch

6624' Mesaverde

7581' MVU 2

8216' MV L 1

Production
8680. MD

Well name:

2006-12 Kerr McGee State 1021-36KOperator: **Kerr McGee Oil & Gas Onshore, LP**String type: **Surface**

Project ID:

43-047-38849

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 100 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 441 ft

BurstMax anticipated surface
pressure: 1,584 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,800 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,578 ft

Non-directional string.**Re subsequent strings:**Next setting depth: 8,680 ft
Next mud weight: 11.300 ppg
Next setting BHP: 5,095 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,800 ft
Injection pressure: 1,800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1800	9.625	32.30	H-40	ST&C	1800	1800	8.876	795.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	785	1370	1.744	1800	2270	1.26	51	254	4.98 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: December 11, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 1800 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2006-12 Kerr McGee State 1021-36K	
Operator:	Kerr McGee Oil & Gas Onshore, LP	Project ID:
String type:	Production	43-047-38849
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 11.300 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 197 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 3,186 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,095 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 7,214 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8680	4.5	11.60	I-80	LT&C	8680	8680	3.875	757.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5095	6360	1.248	5095	7780	1.53	84	212	2.53 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: December 11, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8680 ft, a mud weight of 11.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted with the color is

ities required to comply led. The required color

Ar.

vent wildlife entry.

App
Map

n tie-in point. Refer to Topo

5.

Locat

Water 1
Utah, Se

Water wi.

No water v

6.

Source of C

Surface and s

Any gravel wil

7.

Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

DD
has file

Drana-

Could you please

Replace these papers in
the well file.

Shule

RECEIVED

DEC 11 2006

DIV. OF OIL, GAS & MINING

RECEIVED

DEC 11 2006

DIV. OF OIL, GAS & MINING

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 4850' +/- of 4" pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

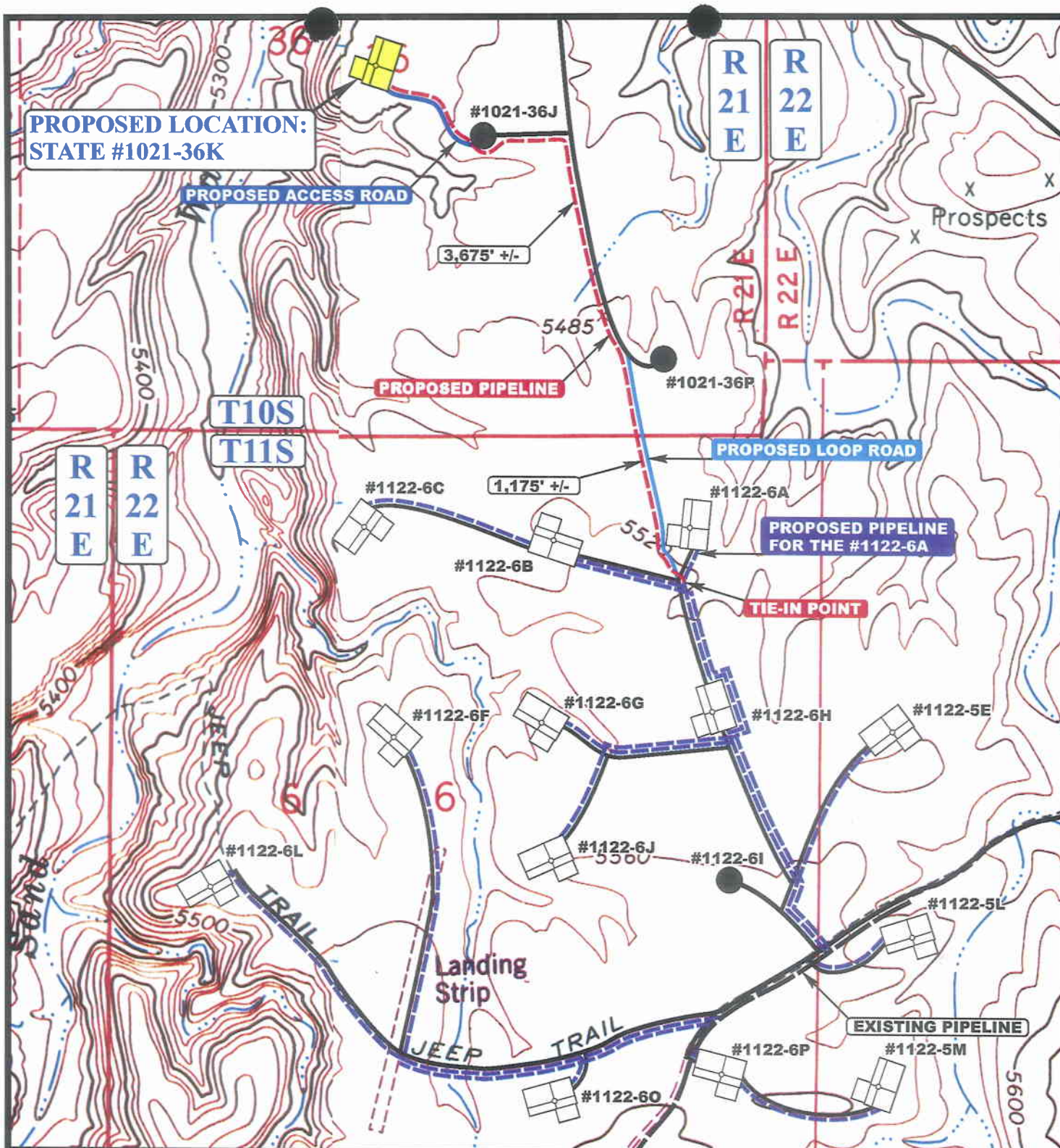
The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

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DEC 11 2006

DIV. OF OIL, GAS & MINING



APPROXIMATE TOTAL PIPELINE DISTANCE = 4,850' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- PROPOSED LOOP ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36K

SECTION 36, T10S, R21E, S.L.B.&M.

2651' FSL 2568' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

11 21 06
MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: C.P.

REVISED: 12-04-06

D
TOPO



Kerr-McGee Oil & Gas OnShore LP
1999 Broadway, Suite 3700, Denver, Colorado 80202
303-296-3600 • Fax 303-296-3601

January 8, 2007

Ms. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: State 1021-36K
T10S-R21E
Section 36: NESW
2651' FSL, 2568' FWL
Uintah County, Utah

Dear Ms. Mason:

Kerr-McGee Oil & Gas Onshore LP, formerly known as Westport Oil and Gas Company, L.P. has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2 (State Wide). The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-264-2618. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Chris Latimer'.

W. Chris Latimer, CPL
Senior Landman

cc: Raleen White

RECEIVED

JAN 11 2007

DIV. OF OIL, GAS & MINING

From: Ed Bonner
To: Mason, Diana
Date: 2/14/2007 9:50 AM
Subject: The following wells have been given cultural resource clearance by the Trust Lands Cultural Resource

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil; sheila.upchego...
The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Kerr McGee Oil & Gas Onshore LP
NBU 1022-7H-4 (API 43 047 38570)
NBU 1021-2E (API 43 047 38838)
NBU 1021-2F (API 43 047 38839)
NBU 1021-2M (API 43 047 38841)
NBU 1021-2K (API 43 047 38842)
NBU 1021-2L (API 43 047 38843)
NBU 1021-2J (API 43 047 38844)
NBU 1021-36D (API 43 047 38845)
NBU 1021-36E (API 43 047 38846)
NBU 1021-36F (API 43 047 38847)
NBU 1021-36N (API 43 047 38848)
NBU 1021-36K (API 43 047 38849)
NBU 1021-36C (API 43 047 38850)
NBU 1021-1G (API 43 047 39001)
NBU 1021-1O (API 43 047 39002)
NBU 1021-1P (API 43 047 39003)
NBU 1021-30I (API 43 047 39020)
NBU 1021-30J (API 43 047 39021)
NBU 1021-30K (API 43 047 39022)
NBU 1021-30L (API 43 047 39023)
NBU 1021-30M (API 43 047 39024)
NBU 1021-30N (API 43 047 39025)

If you have any questions regarding this matter please give me a call.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 14, 2007

Kerr-McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: State 1021-36K Well, 2651' FSL, 2568' FWL, NE SW, Sec. 36, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38849.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
SITLA

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number State 1021-36K
API Number: 43-047-38849
Lease: ML-47060

Location: NE SW Sec. 36 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
(801) 733-0983 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.
8. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: Kerr-McGee Oil & Gas Onshore LP

Well Name: State 1021-36K

API No: 43-047-38849 Lease Type: State

Section 36 Township 10S Range 21E County Uintah

Drilling Contractor Pete Martin Rig # Bucket

SPUDDED:

Date 4-25-07

Time 11:00 AM

How Dry

Drilling will Commence: _____

Reported by Lou Weldon

Telephone # 435-828-7035

Date 4-27-07 Signed RM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078

Operator Account Number: N 2995Phone Number: (435) 781-7024**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738849	STATE 1021-36K		NESW	36	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>A</u>	99999	<u>16084</u>	4/25/2007		<u>5/10/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 04/25/2007 AT 1100 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736872	HATCH 923-24A		NENE	24	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>A</u>	99999	<u>16085</u>	4/26/2007		<u>5/10/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 04/26/2007 AT 1000 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

To: EARLENE RUSSELL From: Sheila Upchego
Co./Dept. UTDOGIM Co. KMG
Phone (801) 538-5336 Phone (435) 781-7024
Fax # (801) 339-3940 Fax # (435) 781-7094

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

4/30/2007

Title

Date

RECEIVED
APR 30 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2651'FSL, 2568'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 10S 21E		8. WELL NAME and NUMBER: STATE 1021-36K
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304738849
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: WELL SPUD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.


MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 04/25/2007 AT 1100 HRS.

RECEIVED

MAY 11 / 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 4/30/2007

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
2. NAME OF OPERATOR: KERR McGEE OIL AND GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2651' FSL 2568' FWL		8. WELL NAME and NUMBER: STATE 1021-36K
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 10S 21E		9. API NUMBER: 4304738849
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SET SURF CSG
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL JR'S RATHOLE DRILLING ON 5/11/07. DRILLED 12 1/4" SURFACE HOLE TO 1860'. RAN 9 5/8" 44 JTS H-40 32.3#. TAILED CMT W/200 SX PREM CLASS G @ 15.8 PPG 1.15 YIELD. CMT 1ST STAGE W/150 SKS LEAD AND 200 SKS TAIL GOOD RETURNS +/- 25 BBL LEAD CMT TO PIT. TOP OUT W/225 SXS CLASS G @ 15.8 PPG 1.15 YIELD. GOOD CMT TO SURFACE AND STAYED AT SURFACE. WORT.

RECEIVED
MAY 29 2007

NAME (PLEASE PRINT) RAMEY HOOPES		TITLE LAND SPECIALIST I	
SIGNATURE <i>Ramey Hoopes</i>		DATE 5/14/2007	

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST VERNAL UT 84078

PHONE NUMBER:
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2651'FSL, 2568'FWL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 10S 21E

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47060

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

STATE 1021-36K

9. API NUMBER:

4304738849

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

COUNTY: UINTAH

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>PRODUCTION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>START-UP</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 07/06/2007 AT 3:00 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED

JUL 17 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 7/10/2007

(This space for State use only)



Anadarko Petroleum Corporation
1368 S. 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

STATE 1021-36K

NESW, SEC. 36, T10S, R21E
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS			
03/29/07	LOCATION STARTED	PIONEER 38			
04/23/07	LOCATION COMPLETE	PIONNER 38	P/L IN, WOBR		
04/25/07	SET CONDUCTOR	PIONEER 38	WOAR		
05/11/07	SET AIR RIG, 9 5/8" @ 1834'	PIONEER 38	WORT		
05/25/07	TD: 1860' Csg. 9 5/8" @ 1834' RDRT and move to State 1021-36K. Spot rig.	MW: 8.3	SD: 5/XX/07	DSS: 0	SDFN.
05/28/07	TD: 4080' Csg. 9 5/8" @ 1834' RURT. NU and test BOPE. PU BHA and DP. Drill cmt and FE. Rotary spud @ 1600 hrs on 5/26/07. Drill from 1860'-4080'. DA @ report time.	MW: 8.4	SD: 5/26/07	DSS: 2	
05/29/07	TD: 5095' Csg. 9 5/8" @ 1834' Drill from 4080'-5095'. DA @ report time.	MW: 10.6	SD: 5/26/07	DSS: 3	
05/30/07	TD: 5858' Csg. 9 5/8" @ 1834' Drill from 5095'-5858'. DA @ report time.	MW: 10.9	SD: 5/26/07	DSS: 4	
05/31/07	TD: 6088' Csg. 9 5/8" @ 1834' Drill from 5858'-6088'. TFNB. TIH @ report time.	MW: 11.2	SD: 5/26/07	DSS: 5	
06/01/07	TD: 6652' Csg. 9 5/8" @ 1834' FIH. Drill from 6088'-6652'. DA @ report time.	MW: 11.3	SD: 5/26/07	DSS: 6	
06/04/07	DHC: \$532,895 CWC: \$ TD: 8230' Csg. 9 5/8" @ 1834' Drill from 6652'-8018'. TFNB. Drill to 8230'. DA @ report time.	MW: 11.6	SD: 5/26/07	DSS: 9	
06/05/07	TD: 8714' Csg. 9 5/8" @ 1834' Drill from 8230'-8714' TD. Short trip and lay down drill string @ report time.	MW: 11.7	SD: 5/26/07	DSS: 10	
06/06/07	TD: 8714' Csg. 9 5/8" @ 1834'	MW: 11.7	SD: 5/26/07	DSS: 11	

Lay down drill string. Run Triple Combo. Run and cement 4 ½" Production Casing @ report time.

06/07/07

TD: 8714' Csg. 9 5/8"@ 1834' MW: 11.7 SD: 5/26/07 DSS: 12
Cement 4 ½" Production Casing. Set slips and release rig @ 1300 hrs 6/6/07. RDRT.

06/27/07

RUN TBG

Days On Completion: 1

Remarks: 7:00 A.M. HSM ROAD RIG & EQUIP F/ NBU 1021-21M TO LOC. MIRU. NDWH. NUBOPE. SWI. SDFN

06/28/07

RUN TBG

Days On Completion: 2

Remarks: 7:00 A.M. HSM PREP & TALLY 2 3/8" J-55 8 RD 4.7# TBG. P/U 3 7/8" BIT POBS & RIH P/U 254 JTS TBG OFF TRAILER TO 7900'. X/O POOH STAND BACK TBG. L/D BIT & BIT SUB. ND BOPE. NU FRAC VALVES. SWI.

06/29/07

PERF STAGE 1

Days On Completion: 3

Remarks: 7:00 A.M. HSM FILL CSG W/ 2% KCL. MIRU CUTTERS. P/U CBL/CCL/GR TOOLS & RIH. TD @ 8599'. LOG WELL F/ PBTD TO SURF. POOH L/D LOG TOOLS. MIRU B&C QUICK TST. PSI TST CSG & FRAC VLV'S TO 7500# (HELD). RDMO B&C. P/U 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES. 4 & 3 SPF, 90 & 120 DEG PHASING & RIH, SHOOT 12 HOLES F/ 8287' - 90', P/U SHOOT 8 HOLES F/ 8210' - 12', P/U SHOOT 12 HOLES F/ 8169' - 73' (3 SPF). P/U SHOOT 12 HOLES F/ 8058' - 61'. POOH. PREP TO FRAC MONDAY A.M. SWI. SDFWE

07/02/07

PERF AND FRAC

Days On Completion: 6

Remarks: 7:00 A.M. HSM MIRU WEATHERFORD FRAC SVC. MIRU CUTTERS. (WEATHERFORD BLENDER BRK DWN, ELECTRONICS. CALL FOR REPLACEMENT BLENDER OUT OF VERNAL). MIRU NEW BLENDER 10:00 A.M. PRIME PMP'S & PSI TST LINES TO 8500# (HELD).PREP TO FRAC.

ALL MESA VERDE STAGES SHOT W/ 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES. 4 & 3 SPF, 90 & 120 DEG PHASING, ALL WASATCH PERF'S SHOT W/ 3 1/8" PORTED HSC PERF GUNS LOADED W/ 12 GM CHARGES. 4 SPF, 90 DEG PHASING. ALL STAGES INCLUDE NALCO DVE-005 SCALE INHIB. 3 GAL PER THOUSAND IN PAD & 1/2 RAMP, 10 GAL PER THOUSAND IN FLUSH. STG 1, PRE PAD W/ 10 GAL PERF & 600 GAL 15% HCL. ALL STAGES TREATED W/ 30/50 SAND W/ TREATED RESIGN COTE SAND FOR SAND CONTROLL. ALL CBP'S ARE 4 1/2" BAKER 8K CBP'S. OPEN WELL 1100# ON WELL

STG 1: BRK DWN PERF'S @ 3389#, EST INJ RT @ 51.3 BPM @ 4870#, ISIP 2554#, FG .75, TREAT STG 1 W/ 80,500# SAND TAILED IN W/ 5000# TRC SAND W/ SLK WTR. TOT CL FL 2265 BBLS. ISIP 2925#, NPI 371#, FG .80

STG 2: P/U 3 3/8" EXP PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7093', P/U SHOOT 32 HOLES F/ 7055' - 63', POOH. BRK DWN PERF'S @ 3880#, EST INJ RT @ 41.7 BPM @ 4400#, ISIP 2207#, FG .75, TREAT STG 2 W/ 18,050# SAND, TAILED IN W/ 5000# TRC SAND W/ SLK WTR. TOT CL FL 604 BBLS. ISIP 3043#, NPI 836#, FG .87 (DID NOT SPOT ACID FOR FOLLOWING STG)

STG 3: P/U 3 1/8" HSC PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 5627'. P/U SHOOT 32 HOLES F/ 5593' - 97', (DBL SHOOT ZONE, 8 SPF). POOH. BRK DWN PERF'S @ 3463#, EST INJ RT @ 41.3 BPM @ 3380#, ISIP 1387#, FG .69, TREAT STG 3 W/ 11700#

SAND TAILED IN W/ 5000# TRC SAND W/ SLK WTR. TOT CL FL 403 BBLS. ISIP 2038#, NPI 651#, FG .81

STG 4: P/U 3 1/8" HSC PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 4867', P/U SHOOT 32 HOLES F/ 4819' - 4827'. POOH. BRK DWN PERF'S @ 3021#, EST INJ RT @ 35.4 BPM @ 2570#, ISIP 915#, FG .63, TREAT STG 4 W/ 14,500# SAND TAILED IN W/ 5000# TRC SAND W/ SLK WTR. TOT CL FL 491 BBLS. ISIP 1809#, NPI 894#, FG .82 P/U 4 1/2" BAK 8K CBP & RIH. SET KILL PLUG @ 4769'. POOH. RDMO CUTTERS. RDMO WEATHERFORD FRAC SVC. ND FRAC VLV'S. NU BOPE. P/U 3 7/8" SMITH BIT, POBS & RIH W/ TBG. EOT @ 2100'. SWI. SDFN

DRILL CBP'S

Days on Completion:

Daily Detail: 7:00 AM HSM R/U PUMP AND LINES BREAK CONV CIRC AND BEG TO DRILL DRL UP KILL PLUG @4769' IN 10 MIN. (0# PSI INC) CONT TO RIH. TAG FILL @4827' (30' FILL). C/O TO 2ND CBP @4857'.

DRL UP 2ND CBP IN 9 MIN. (200# PSI INC). CONT TO RIH. TAG FILL @5600', (27' FILL). C/O TO 3RD CBP @5627'.

DRL UP 3RD CBP IN 8 MIN. (300# PSI INC). CONT TO RIH. TAG FILL @7060'. (33 FILL). C/O TO 4TH CBP @7093'.

DRL UP 4TH CBP IN 11 MIN. (600# PSI INC). CONT TO RIH. TAG FILL @8533', (115 FILL). C/O TO PBDT @8648'. CIRC

WELL CLEAN. R/D DRILL EQUIP. POOH L/D 48 JTS ON TRAILER, LUBRICATE TBG HANGER INTO WELL. LAND

TBG W/EOT @7516' NDBOPE. DROP BALL, NUWH. PUMP OFF THE BIT @1000#. R/U FLOW BACK LINES. RIG

DOWN RACK OUT TURN OVER TO FLOWBACK CREW. 2:00 PM

SICP 1000#

FTP 100#

48/64 CHOKE

TBG ON LOC

289 JTS

TBG IN WELL

241 JTS

TBG LEFT ON TRAILER 48 JTS

FLOWBACK REPORT: CP 1125#, TP 600#, CK 20/64", 45 BWPH, LOAD REC'D 945 BBLS, LLTR 2158 BBLS

07/04/07 **FLOWBACK REPORT:** CP 1450#, TP 900#, CK 20/64", 30 BWPH, LOAD REC'D 1760 BBLS, LLTR 1343 BBLS

07/05/07 **WELL WENT ON SALES: 7/5/07 @ 12:00 AM, 1.5 MIL MCF, 975/1350 TBG, 875/1350 CSG, 20/64 CK, 20 BBWH**
FLOWBACK REPORT: CP 1250#, TP 1000#, CK 20/64", 20 BWPH, LOAD REC'D 2285 BBLS, LLTR 818 BBLS
ON SALES: 1060 MCF, 0 BC, 300 BW, TP: 1000#, CP: 1250#, 20/64 CHK, 15 HRS, LP: 250#.

07/06/07 **FLOWBACK REPORT:** CP 1175#, TP 950#, CK 20/64", 10 BWPH, LOAD REC'D 2525 BBLS, LLTR 578 BBLS
ON SALES: 1426 MCF, 0 BC, 240 BW, TP: 950#, CP: 1175#, 20/64 CHK, 24 HRS, LP: 228#.

07/07/07 **ON SALES:** 1424 MCF, 0 BC, 300 BW, TP: 911#, CP: 1360#, 20/64 CHK, 24 HRS, LP: 234#.

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Kerr-McGee Oil & Gas Onshore, LP

Today's Date: 09/18/2007

Well:	API Number:	Drilling Commenced:
NBU 921-33P wcr	4304736396	03/07/2007
Bonanza 1023-16J drlg/wcr	4304737092	03/09/2007
Wissiuip 36-187 wcr	4304737580	04/20/2007
State 1021-36K wcr	4304738849	04/25/2007
NBU 1021-21J wcr	4304737436	04/30/2007
NBU 1022-35J wcr	4304737180	05/01/2007
Bitter Creek 1122-2H wcr	4304736997	05/02/2007
NBU 921-33O wcr	4304736499	05/03/2007

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

Well	API number	Drilling Commenced
Hatch 923-14G wcr	4304737028	05/06/2007
NBU 922-32H-3T wcr	4304738569	05/08/2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		7. UNIT or CA AGREEMENT NAME
3. ADDRESS OF OPERATOR: 1368 S 1200 E VERNAL UT ZIP 84078		8. WELL NAME and NUMBER: STATE 1021-36K
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2651'FSL, 2568'FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		9. API NUMBER: 4304738849
10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES		11. QTR/OTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 10S 21E
12. COUNTY UINTAH		13. STATE UTAH

14. DATE SPUDDED: 4/25/2007	15. DATE T.D. REACHED: 6/5/2007	16. DATE COMPLETED: 7/6/2007	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5443'GL
18. TOTAL DEPTH: MD 8,714 TVD	19. PLUG BACK T.D.: MD 8,648 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-CCL-GR <i>SD, DSN, ACTR</i>	23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)
---	---

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		1,860		575			
7 7/8"	4 1/2 I-80	11.6#		8,714		1905			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7,516							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) WASATCH	4,819	5,597			4,819 5,597	0.36	64	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) MESVER	7,055	8,290			7,055 8,290	0.36	76	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4819'-5597'	PMP 894 BBLs SLICK H2O & 26,200# 30/50 SD
7055'-8290'	PMP 2869 BBLs SLICK H2O & 98,550# 30/50 SD

29. ENCLOSED ATTACHMENTS:

- ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

PROD

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 7/6/2007	TEST DATE: 7/7/2007	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,424	WATER - BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 911	CSG. PRESS. 1,360	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS: PROD

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED: 7/6/2007	TEST DATE: 7/7/2007	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,424	WATER - BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 911	CSG. PRESS. 1,360	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS: PROD

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,069 6,609	6,609			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 8/7/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
Various	NBU REVISION						UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>E</i>	<i>Various</i>	<i>2900</i>	<i>3/13/2012</i>			<i>2/1/2012</i>	
Comments: MOVE THE ATTACHED WELLS INTO THE NATURAL BUTTES UNIT REVISION EFFECTIVE 02/01/2012. <i>72 wells</i> <i>5/31/2012</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

5/30/2012

Date

RECEIVED

MAY 31 2012

Div. of Oil, Gas & Mining

Entity Action Form Attachment for wells moved into the Natural Buttes Unit Effective 02/01/2012.

API	Well Name	QTR/QTR	Section	TWNSHP	RANGE	Producing Intervals
4304737079	FEDERAL 920-25I	NESE	15431	25 9S	20E	WASATCH/MESAVERDE
4304737080	FEDERAL 920-25H	SENE	15761	25 9S	20E	WASATCH/MESAVERDE
4304737081	FEDERAL 920-25A	NENE	15553	25 9S	20E	WASATCH/MESAVERDE from MVRD
4304739098	STATE 1021-28M	SWSW	16499	28 10S	21E	WASATCH To WSMVD
4304737918	FEDERAL 1021-26L	NWSW	16390	26 10S	21E	MESAVERDE To WSMVD
4304737919	FEDERAL 1021-26N	SESW	16391	26 10S	21E	WASATCH/MESAVERDE
4304737916	FEDERAL 1021-25O	SWSE	16277	25 10S	21E	WASATCH/MESAVERDE
4304739112	STATE 1021-31M	SWSW	16454	31 10S	21E	WASATCH To WSMVD
4304739127	STATE 1021-32P	SESE	16471	32 10S	21E	WASATCH/MESAVERDE
4304739128	STATE 1021-32O	SWSE	17513	32 10S	21E	WASATCH/MESAVERDE
4304739131	STATE 1021-32L	NWSW	16902	32 10S	21E	WASATCH/MESAVERDE
4304739133	STATE 1021-32J	NWSE	17539	32 10S	21E	WASATCH/MESAVERDE
4304739134	STATE 1021-32I	NESE	16905	32 10S	21E	WSMVD
4304739135	STATE 1021-32H	SENE	17528	32 10S	21E	WASATCH/MESAVERDE
4304735714	FEDERAL 1022-29H	SENE	15147	29 10S	22E	WASATCH/MESAVERDE
4304735715	FEDERAL 1022-29F	SENW	15162	29 10S	22E	WASATCH/MESAVERDE
4304735716	FEDERAL 1022-29B	NWNE	14982	29 10S	22E	WASATCH/MESAVERDE
4304735737	FEDERAL 1022-29I	NESE	15001	29 10S	22E	WASATCH/MESAVERDE
4304735738	FEDERAL 1022-29D	NWNW	15016	29 10S	22E	MESAVERDE To WSMVD
4304734862	FEDERAL 31-10-22	SESE	13879	31 10S	22E	MESAVERDE To WSMVD
4304735173	FEDERAL 1022-31D	NWNW	14132	31 10S	22E	WASATCH/MESAVERDE
4304736492	FEDERAL 1022-31N	SESW	16255	31 10S	22E	WASATCH/MESAVERDE
4304736493	FEDERAL 1022-31I	NESE	15089	31 10S	22E	WASATCH/MESAVERDE
4304736494	FEDERAL 1022-31G	SWNE	15075	31 10S	22E	WASATCH/MESAVERDE
4304736495	FEDERAL 1022-31F	SENE	15230	31 10S	22E	WASATCH/MESAVERDE
4304736574	FEDERAL 1022-31C	NENW	15090	31 10S	22E	WASATCH/MESAVERDE
4304736575	FEDERAL 1022-31J	NWSE	15214	31 10S	22E	WASATCH/MESAVERDE
4304736576	FEDERAL 1022-31L	NWSW	16376	31 10S	22E	WASATCH/MESAVERDE
4304734317	STATE 1-32	NESW	13419	32 10S	22E	WASATCH/MESAVERDE
4304734831	STATE 2-32	SESW	13842	32 10S	22E	MESAVERDE To WSMVD
4304734832	STATE 3-32	NWSW	13844	32 10S	22E	WASATCH/MESAVERDE
4304735095	STATE 1022-32J	NWSE	14097	32 10S	22E	WSMVD
4304735096	STATE 1022-32A	NENE	13914	32 10S	22E	WASATCH/MESAVERDE
4304735186	STATE 1022-32P	SESE	14131	32 10S	22E	MESAVERDE To WSMVD
4304735315	STATE 1022-32O	SWSE	14114	32 10S	22E	WASATCH/MESAVERDE
4304735647	STATE 1022-32H	SENE	14348	32 10S	22E	MESAVERDE To WSMVD
4304736413	STATE 1021-36O	SWSE	15619	36 10S	21E	WASATCH/MESAVERDE
*4304738157 WELL BELONGS TO QEP ENERGY CORP "GH 8-20-8-21" PERMIT NOT APPROVED						
4304734839	FEDERAL 1022-15F	SENW	14618	15 10S	22E	WASATCH/MESAVERDE
4304736414	STATE 1021-36J	NWSE	15651	36 10S	21E	WASATCH/MESAVERDE
4304738152	STATE 1021-36L	NWSW	16012	36 10S	21E	WASATCH/MESAVERDE
4304735440	FEDERAL 1022-15J	NWSE	14617	15 10S	22E	WASATCH/MESAVERDE
4304736415	STATE 1021-36I	NESE	15684	36 10S	21E	WASATCH/MESAVERDE
4304738845	STATE 1021-36D	NWNW	16455	36 10S	21E	WASATCH/MESAVERDE

4304750096	FEDERAL 1022-27H	SENE	17626	27 10S	22E	WASATCH/MESAVERDE
4304736416	STATE 1021-36H	SENE	15335	36 10S	21E	WASATCH/MESAVERDE
4304738846	STATE 1021-36E	SWNW	16523	36 10S	21E	WASATCH/MESAVERDE
4304735676	FEDERAL 1022-28L	NWSW	15110	28 10S	22E	WASATCH/MESAVERDE
4304736417	STATE 1021-36G	SWNE	15297	36 10S	21E	WASATCH/MESAVERDE
4304738847	STATE 1021-36F	SENW	16394	36 10S	21E	WASATCH/MESAVERDE
4304735713	FEDERAL 1022-28N	SESW	15145	28 10S	22E	WASATCH/MESAVERDE
4304736418	STATE 1021-36B	NWNE	14953	36 10S	21E	WASATCH/MESAVERDE
4304738848	STATE 1021-36N	SESW	16359	36 10S	21E	WASATCH/MESAVERDE
4304735735	FEDERAL 1022-28O	SWSE	15285	28 10S	22E	WASATCH/MESAVERDE from MURD
4304736419	STATE 1021-36A	NENE	15035	36 10S	21E	WASATCH/MESAVERDE
4304738849	STATE 1021-36K	NESW	16084	36 10S	21E	WASATCH/MESAVERDE
4304735736	FEDERAL 1022-28M	SWSW	15286	28 10S	22E	WASATCH/MESAVERDE
4304736420	STATE 1021-36P	SESE	15372	36 10S	21E	WASATCH/MESAVERDE
4304738850	STATE 1021-36C	NENW	16396	36 10S	21E	WASATCH/MESAVERDE
4304734861	FEDERAL 29-10-22	SESE	14006	29 10S	22E	MESAVERDE TO WSMVD
4304735577	FEDERAL 1022-33O	SWSE	15080	33 10S	22E	WASATCH/MESAVERDE
4304735739	FEDERAL 1022-33E	SWNW	15193	33 10S	22E	WASATCH/MESAVERDE
4304735740	FEDERAL 1022-33M	SWSW	15373	33 10S	22E	WASATCH/MESAVERDE
4304735741	FEDERAL 1022-33L	NWSW	15511	33 10S	22E	WASATCH/MESAVERDE
4304735742	FEDERAL 1022-33G	SWNE	15404	33 10S	22E	WASATCH/MESAVERDE from MURD
4304735743	FEDERAL 1022-33C	NENW	15405	33 10S	22E	WASATCH/MESAVERDE
4304735744	FEDERAL 1022-33A	NENE	15539	33 10S	22E	WASATCH/MESAVERDE
4304737105	FEDERAL 1022-33D	NWNW	16502	33 10S	22E	WASATCH/MESAVERDE
4304737106	FEDERAL 1022-33F	SENW	16560	33 10S	22E	WASATCH/MESAVERDE from WSTC
4304737107	FEDERAL 1022-33K	NESW	16124	33 10S	22E	WASATCH/MESAVERDE
4304737109	FEDERAL 1022-33N	SESW	16126	33 10S	22E	WASATCH/MESAVERDE
4304737110	FEDERAL 1022-33B	NWNE	16561	33 10S	22E	WASATCH/MESAVERDE
4304735810	STATE 1021-36E	SWNW	14295	36 10S	21E	WASATCH/MESAVERDE

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: STATE 1021-36K
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2651 FSL 2568 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 36 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047388490000
PHONE NUMBER: 720 929-6454		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/31/2016	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER	
	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The STATE 1021-36K was returned to production on 8/31/2016. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY September 22, 2016		
NAME (PLEASE PRINT) Candice Barber	PHONE NUMBER 435 781-9749	TITLE HSE Representative
SIGNATURE N/A	DATE 9/19/2016	